

VZCZCXRO5240  
RR RUEHMA RUEHPA  
DE RUEHOS #0143/01 0790932  
ZNR UUUUU ZZH  
R 200932Z MAR 09  
FM AMCONSUL LAGOS  
TO RUEHC/SECSTATE WASHDC 0621  
INFO RUEHUJA/AMEMBASSY ABUJA 0230  
RUEHOR/AMEMBASSY GABORONE 0068  
RUEHZK/ECOWAS COLLECTIVE  
RUCPDO/DEPT OF COMMERCE WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUEAIIA/CIA WASHINGTON DC

UNCLAS SECTION 01 OF 02 LAGOS 000143

SIPDIS

FOR GABORONE PASS PDROUIN  
STATE PASS OPIC FOR DERB, ZHAN, MSTUCKART, JEDWARDS  
STATE PASS TDA FOR LFITTS, PMARIN  
STATE PASS USAID FOR NFREEMAN, GBERTOLIN, GWEYNAND  
STATE PASS EXIM FOR JRICHTER, KJACKSON  
DOC FOR 3317/ITA/OA/KBURRESS  
DOC FOR 3310/USFC/OIO/ANESA/DHARRIS  
DOC FOR USPTO-PAUL SALMON  
TREASURY FOR DFIELD, AIERONIMO, RHALL, DPETERS

E.O. 12958: N/A

TAGS: [EFIN](#) [EFIN](#) [EAID](#) [NI](#)

SUBJECT: NIGERIA: AMBASSADOR ENGAGED LAGOS BUSINESS ELITES ON  
POLITICAL AND ECONOMIC CHALLENGES

¶1. (U) Summary: As part of the U.S. Mission Nigeria's National Week activities, Ambassador discussed political and economic issues with business executives and private sector leaders at the Lagos Island Club on February 24, and the Lagos Business School Breakfast Club on March 3. Lagos business elites challenged the Ambassador on the Buy American provision in the Recovery and Reinvestment Plan, and asked for the Mission's assistance with Nigeria's efforts to take advantage of AGOA and its bid for Category 1 status. Ambassador called on the Government of Nigeria (GON), on the economic front, to lower trade barriers, to diversify its economy, and to move forward on the establishment of U.S.-Nigeria standard trade frameworks; on the political front to push for more election reforms, anti-corruption, and fiscal transparency; and on the regional level to fulfill its peacekeeping role and responsibility in the region. Ambassador also encouraged the business elites to proactively engage their government in seeing these changes through. End summary.

¶2. (U) A part of the U.S. Mission's National Week activities, Ambassador delivered remarks on the global financial crisis and economic downturn at the Lagos Island Club's Annual Luncheon and the Lagos Business School's Breakfast Club. Ambassador discussed the U.S. approach to the situation, the challenges confronting Nigeria, and the ways in which U.S. Mission Nigeria, the Government of Nigeria (GON), and the Nigerian private sector can collaborate to help Nigeria weather the crisis. Ambassador listened and addressed the concerns that were front and center for the Nigerian business elites.

Buy American Provision Raises Concern  
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¶3. (U) The Buy American provision in the Recovery and Reinvestment economic stimulus package generated much concerns among the business elite. Ambassador received several questions about the provision's allegedly protectionist nature, to which she countered that the provision is intended for manufactured products used in public projects funded with money appropriated by the Act, and does not apply to least developed countries (LDCs) and does not exclude our trading partners from the procurement process. Ambassador took this opportunity to promote the establishment of a U.S.-Nigeria Bilateral Investment Treaty (BIT) and Trade and Investment Framework Agreement (TIFA), and urged the GON to move forward on the thematic working groups created under the U.S.-Nigeria Framework for Partnership.

Mission Presses for AGOA Use

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¶4. (U) The audience supported the Ambassador's call on Nigeria to take advantage of the African Growth and Opportunity Act (AGOA), and asked for the Mission's assistance. Ambassador noted that the responsibility for utilizing AGOA ultimately falls on the Nigerian private sector, although the Mission has worked tirelessly in the past one year to promote AGOA. Mission's efforts included holding export credit workshops and nation-wide AGOA related workshops to help explain the AGOA legislation and what it takes to be export ready for the U.S. market.

Joint efforts to Spur Category 1  
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¶5. (U) Ambassador received questions on Nigeria's progress in attaining Category 1 status, to which she made the distinction between the roles and responsibilities of Nigerian regulators in becoming Category 1-ready and the airline industry in preparing themselves to fly directly to the United States. Ambassador discussed the Mission's joint efforts with the Nigerian Civil Aviation Authority (NCAA) and other aviation parastatals in hosting practical seminars and workshops on aviation safety and security. Ambassador called on airline operators to prepare for the steps required to begin international air transport operations to the United States, including the U.S. Transportation Security Administration's security requirements and approval process and other U.S. Federal Aviation Administration's safety requirements.

Nigeria Needs to Diversify Trade, Establish TIFA, BIT  
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¶6. (U) Ambassador reflected on Nigeria's untapped potential as a major primary commodity producer and exporter and attributed it to high trade barriers and the lack of diversification in the economy. Ambassador noted that, despite U.S.-Nigeria robust bilateral trade relationship, the two trade partners do not have a bilateral investment treaty (BIT), a standard trade framework on which the U.S. Mission has been encouraging the GON to begin exploring talks. Ambassador called on the audience to engage and push the GON on this front as the establishment of a BIT will mutually benefit both countries.

More on Election Reforms, Anti-Corruption  
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¶7. (U) Ambassador sent a resounding message to the government and people of Nigeria that Nigeria must move forward on election reform, fiscal transparency, and anti-corruption efforts. Ambassador said the Mission stands ready to assist with these efforts, but the Nigerian people must take the lead. The audience heartily agreed with the Ambassador on these points.

Nigeria Must Commit to AMISON  
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¶8. (U) Ambassador also called on the GON's to fulfill its promise to send more troops to Somalia under Africa Union Peacekeeping Mission to Somalia (AMISON). Nigeria, as a regional leader, needs to remain steadfast on its political stance on Zimbabwe and its peacekeeping effort in Darfur, she said.

¶9. (U) This cable was cleared with Embassy Abuja.

Blair